

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 915 – HB 964

March 18, 2014

SUMMARY OF ORIGINAL BILL: Requires locally adopted or enforced development standards, in effect on the date an application for a building permit, preliminary plat, or site plan is submitted to the county or municipal planning commission or local government, to remain the development standards applicable to the development, provided, the application for final approval is made within the vesting period of five years. If development occurs in phases, there shall be a separate vesting period applicable to each phase and the development standards in effect at the time of application for a building permit, preliminary plat, or site plan for the first phase shall remain the standards applicable to all subsequent phases during the vesting period.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Due to several unknown factors associated with future property tax assessments, property developments, and property tax collections by local government, a precise fiscal impact cannot be determined; however, the net fiscal impact to local government is estimated to be not significant.

SUMMARY OF AMENDMENT (014518): Deletes all language after the enacting clause. Establishes a vested property right for a development plan or building permit which would require locally adopted development standards in effect on the date of the approval of the development plan or building permit to remain the development standards applicable throughout the vesting period. Vesting periods for building permits begin at the date of issuance and shall remain in effect for the time period authorized by the issuing local government; development plans have an initial vesting period of three years. If the development occurs in phases, there shall be a separate vesting period applicable to each phase. A vested property right shall attach to and run with the applicable property and shall confer upon the applicant the right to undertake and complete the development and use the property under the terms and conditions of a development plan.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- This bill will only impact local government.
- It is reasonably assumed this legislation may lead to irregular property development, causing possible decreasing property values, which may result in future decreases in property tax revenue collected by local governments.
- It is equally assumed that this legislation may tend to enhance fluid property development, causing possible increases in property values, which may result in future increases in property tax revenue collected by local government.
- Any vote required by a local government can be accomplished at a regularly-scheduled meeting.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise', is positioned above the printed name.

Lucian D. Geise, Executive Director

/jrh